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MACROECONOMIC POLICY QUESTIONS: IMPLEMENTATION OF THE COMMITMENTS AND POLICIES AGREED UPON IN THE DECLARATION ON INTERNATIONAL ECONOMIC COOPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES

Letter dated 7 February 1994 from the Permanent Representatives of Argentina, Brazil, Paraguay and Uruguay to the United Nations addressed to the Secretary-General

We are pleased to bring to your attention the text of the Joint Communiqué of the Presidents of the countries of the Common Market of the Southern Cone (MERCOSUR) (see annex).

We should be grateful if you would have the text of this letter and its annex circulated as an official document of the General Assembly under item 91 (a) of the preliminary list, since the commitments undertaken include some relating to economic integration among developing countries.

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* A/49/50.

ANNEX

Joint Communiqué of the Presidents of the countries of the Common Market of the Southern Cone

1. Pursuant to the provisions of article 11 of the Treaty of Asunción, the 5th meeting of the Council of the Common Market of the Southern Cone (MERCOSUR) took place on 17 January 1994, in the city of Colonia del Sacramento, Uruguay, with the participation of the Presidents of the Argentine Republic, Mr. Carlos Saúl Menem; the Federative Republic of Brazil, Mr. Itamar Franco; the Republic of Paraguay, Mr. Juan Carlos Wasmosy; and the Eastern Republic of Uruguay, Mr. Luís Alberto Lacalle Herrera.

2. The Presidents welcomed the presence on that occasion of the President of the Republic of Bolivia, Mr. Gonzalo Sanchez de Lozada.

3. They pointed out that the results achieved in negotiations in the context of MERCOSUR provided experience that was unique in the region, that they already comprised a sizeable asset and established the basis for continued development of the integration process.

4. The Presidents strongly reaffirmed the principles, objectives and time-limits outlined in the Treaty of Asunción for moving in a coordinated, balanced and steady fashion towards the establishment of the Customs Union and laying the bases for the formation of the Common Market.

They reiterated their conviction that, inasmuch as integration contributes greatly to the promotion of economic development and social justice, it strengthens and reinforces the democratic processes of the four countries.

5. Recognizing that the main challenge is to promote prosperity of their peoples and to achieve higher standards of living, they expressed particular satisfaction at the substantial increase in intra-MERCOSUR trade, which rose from 3,600 million dollars in 1990, prior to the signing of the Treaty of Asunción, to over 8,000 million dollars in 1993.

This sharp increase in trade is a result of several factors, including implementation of the trade liberalization programme, which provides for a tariff preference of 82 per cent among States Parties, progress towards the gradual elimination of non-tariff restrictions and the movement noted in commercial and productive initiatives undertaken jointly by businessmen of the four countries.

6. They expressed satisfaction at the technical progress made with regard to the common external tariff and affirmed their determination to conclude the definition of the common external tariff on 30 June 1994, as the indispensable instrument for putting in place the Customs Union, a significant stage in the establishment of the Common Market.

7. They emphasized that coordination of macroeconomic policies is an essential condition for the success of the integration process and pointed out that the

four States Parties are firmly committed to following the Las Leñas timetable and to implementation of the decision of the Council of the Common Market regarding the common external tariff, measures and instruments for the establishment of MERCOSUR.

They also agreed that progress in the various priority areas must be made symmetrically and simultaneously.

They reaffirmed the leading role that the Common Market Group must play in achieving these objectives and producing results on items of priority interest to the four countries; this will necessitate drawing up a more frequent schedule of meetings for the Group.

8. The Presidents drew attention to the importance of the special meeting which is to be held in the course of the year to establish the institutional structure of MERCOSUR; the meeting will be responsible for determining the permanent institutions that will obtain as of 1 January 1995.

They drew attention to the significance of according legal capacity to MERCOSUR as of that date and thereby affirming the permanence of the associative link established between the States Parties.

9. They acknowledged the importance of physical integration for the full establishment of MERCOSUR and reaffirmed their support for the various infrastructural works that are projected and under way, particularly with regard to bridges and road, river and waterway links. Accordingly, they expressed their intention to move ahead with these projects.

10. Considering that integration is being planned not only in the economic sphere, they drew attention to the achievements of the specialized meeting of Ministers of Education, particularly the joint undertaking regarding the signing, before 30 June 1994, of an agreement concerning recognition of certificates, titles and study at the primary and intermediate non-technical level.

They also expressed satisfaction at the specialized meetings on science and technology and the environment and the results achieved thereat.

11. They drew attention to the importance, for the establishment of the Common Market, of matters relating to employment, migration, protection of workers and harmonization of labour legislation among the States Parties.

12. In the context of Latin American integration, the Presidents acknowledged the importance of strengthening the Latin American Integration Association, and pointed out that it is essential that the integrity of the Montevideo Treaty of 1980, which has given rise to a considerable wealth of achievements, be maintained.

In that regard they pointed out that the protocol interpreting article 44 of the Montevideo Treaty of 1980, to be formalized at the 8th meeting of the Council of Ministers, constitutes an important instrument for guaranteeing the

integrity and juridical security of the Treaty vis-à-vis the integration processes of member countries with other developed countries outside the region.

With a view to giving still greater impetus to their trade with the countries of South America, the States Parties shall, as of the present year, negotiate new agreements with their partners in the region to ensure the continuity and intensification of economic and trade relations and growing liberalization of trade between the countries.

13. They also pointed out that the drive towards integration which has been apparent in recent years has prompted the adoption of subregional schemes that must be taken into account so as to promote the gradual convergence of all these schemes and thus permit a better trade relationship with sister countries.

In that context the Presidents considered the proposal of the Government of Brazil, formulated at the meeting of the Rio Group in Santiago de Chile, concerning the establishment of a South American free trade area. To that end they supported the convening of a conference, to be held in the course of the year in order to define the modalities and instruments needed in order to form such an area.

14. The Presidents expressed renewed satisfaction at the intent of the Government of Bolivia to strengthen and expand its ties with MERCOSUR.

They saw fit to heed the request of the Government of Bolivia, and invited the representatives of Bolivia to participate, as observers, in meetings of the working groups.

In the context of the proposal referred to in the preceding paragraph, priority will be given to the agreements to be signed with Bolivia with a view to its full participation in MERCOSUR.

15. The Presidents expressed satisfaction at the entry into force of the North American Free Trade Agreement and voiced the expectation that that agreement would contribute effectively to the creation of new flows of trade and investment in the hemisphere, deeming it appropriate to encourage the dialogue initiated in the context of the "4 + 1" agreement.

16. In analysing the international economic context, they drew attention to the recent completion of the Uruguay Round of multilateral trade negotiations, which has strengthened the multilateral trading system, and the creation of the World Trade Organization which is intended to apply and implement the agreements reached. In that regard they expressed satisfaction at the coordination of actions between the countries of MERCOSUR and the need to strengthen it in the immediate future so as to help remove the distortions and protectionist barriers affecting world trade.

17. The Presidents drew attention with satisfaction to the important progress noted in regard to cooperation with the European Community, especially that received through CEFIR (Regional Integration Training Centre) and that developed in the context of the inter-agency agreement with the European Communities, specifically on matters relating to customs issues, technical standards,

agriculture, support for the administrative secretariat of MERCOSUR and special funds.

They also pointed to the results achieved since the launching of the first six-month programme of the agreement on non-reimbursable technical cooperation signed with the Inter-American Development Bank, and emphasized the importance of continuing cooperation with said organization.

18. They stated that, within the context of the United Nations Development Programme, it would be of interest to strengthen activities aimed at supporting regional integration processes, and ensuring that all developing countries members of the system be eligible to benefit from various existing cooperation mechanisms.